

**APPROVED**

**MINUTES**

**SCOTTSDALE CITY COUNCIL**

**SPECIAL MEETING**

**WEDNESDAY, JANUARY 14, 2004**

**CITY HALL KIVA  
3939 DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**SPECIAL MEETING**  
**Wednesday, January 14, 2004**

**CALL TO ORDER**

Mayor Manross called to order a Special Meeting of the Scottsdale City Council on Wednesday, January 14, 2004 in the Kiva, City Hall, at 6:05 P.M.

**ROLL CALL**

Present: Mayor Mary Manross  
Vice Mayor Wayne Ecton  
Council Members Robert Littlefield, Ned O'Hearn, Roberta Pilcher,  
David Ortega, and Tom Silverman

Also Present: City Manager Jan Dolan  
City Attorney Joseph Bertoldo  
City Clerk Carolyn Jagger

**Public Comment**

**Jonathan Evans, 2613 N 66<sup>th</sup> St, 85257**, requested the city bury power lines as part of the canal beautification project.

**Dave Hoonstrasser, 8346 E Granada, 85257**, urged staff to allow trash cans to remain in the alley way, especially for a couple in their eighties.

**1. Consideration to forward tax measure to May 18, 2004 ballot.**

**Requests:**

- Review and recommend a taxing structure to fund purchases for the McDowell Sonoran Preserve, public safety or other community needs.
- Take action to place a tax measure(s) on to the May 18, 2004 public ballot for public consideration.

Funding options to be considered include property tax assessments, raising sales tax revenues or establishing a Community Facilities District.

**Staff Contact:** Craig Clifford, Chief Financial Officer, 480-312-2364,  
[CClifford@ScottsdaleAZ.gov](mailto:CClifford@ScottsdaleAZ.gov)

Ms. Dolan noted that the questions to be answered regarding consideration to forward a tax measure to the May 2004 ballot include: whether to fund one or more issues, how much to fund, which financing mechanisms to use, and when to request voter approval. She also discussed unfunded costs for public safety services estimated at \$10.7M, noting additional funding would enhance, not supplant, existing funding for public safety.

Mr. Cafarella discussed unfunded costs for the preserve, estimated at between \$250M-\$750M, for the purchase of approximately 16,564 acres. He noted that some of this acreage will be

auctioned by the State. Mr. Cafarella identified parcels east of Pima Road, which would likely be auctioned first.

Mr. Clifford compared different tax options available to raise up to \$350M over 30 years with a sales tax increase of .10%, .15%, .20%, or .25% for preserve purchases. He also discussed sales tax options to raise \$10.7M to address public safety initiatives.

Mr. Clifford continued the presentation with several options for the May 18th ballot and sample ballot language.

Ms. Dolan said there were many other needs throughout the city, although the primary focus has been on public safety and the preserve. The Preserve Commission has recommended a sales tax increase of .4% be placed on the May ballot. Staff recommended that if Council went with the sales tax option, it would be more efficient to couple it with GO Bonds.

Responding to Councilman Ortega, Ms. Dolan referenced a listing in the Council Action Report of unfunded public safety needs for which a tax increase would be dedicated.

Councilman O'Hearn expressed concerns about deviating from the standard practice of funding public safety from the General Fund, and avoiding the scrutinizing process a departmental budget would go through.

Ms. Dolan clarified this listing was just an idea of how the funding could be prioritized at the discretion of Council. Mayor Manross saw no difference between this and other departmental needs. She relayed how other dedicated taxes are scrutinized and receive public input.

Responding to Councilman Littlefield, Mr. Cafarella said some of the three potential impacts of not placing this issue on the May ballot include: 1. The city would be unable to provide access area improvements in the near future; 2. The possibility of higher jury awards on some condemnation acquisitions than the city believes the property is worth; and 3. State land to be auctioned west of Pima Road could be lost.

In further response, Mr. Cafarella said if the tax increase passed in May, the city could sell bonds in June.

Discussion was held about the possibility of creating a Community Facilities District (CFD), as well as the many complexities and legal issues this option would entail.

Responding to Councilman Ortega, Mr. Cafarella presented potential expenditures of preserve lands with proceeds of additional funding:

State Land – Not Re-Classified

1,280 acres west of Pima Rd - \$44M - \$71M  
2,263 acres east of Pima Rd - \$90M - \$158M

State Land – Re-Classified

11,391 restricted - \$180M - \$220M  
1,630 unrestricted - \$57M - \$82M  
Supplemental \$10M - \$20M  
Access Areas \$7.5M

**Public testimony opened:**

**Jane Rau, 8148 E Dale Ln, 85262**, said this issue would take courage. She recommended .25% to preserve the vision.

**Michael Merrill, 8713 E Vernon Av, 85257**, compared the number of police officers in Scottsdale with those in Phoenix and Tempe, and indicated Scottsdale was lacking per capita. He also discussed the benefits associated with having a helicopter, how Code Enforcement needed to be expanded, and his belief that the Parks Department was short-handed. He did not agree with cutting city services so the preserve could be expanded, saying the preserve would not generate any tax dollars from tourists. He requested the tax for the preserve be scaled back to .1% and the balance allocated to other city needs.

Chief Rodbell commented on the industry standards and other ways to measure workloads. He also said no new patrol officers have been hired in three years, but training programs have increased to fill vacancies as they occur within the department.

**William Crawford, 6442 E Camelback Rd, 85251**, spoke in support of the preserve because it was the right thing to do, but expressed concerns about the way it was being done. He urged the city to make sure the ballot was something palatable to the voters.

**Laura Fisher, 11835 N 76<sup>th</sup> Pl, 85260**, said the desert is a rarity that should be protected. She felt .25% would give staff the tools they needed.

**Christine Kovach, 9525 N 131<sup>st</sup> St, 85259**, urged the Council to act quickly on this sales tax and not leave the dream unfinished. She further stated ecotourism was one of the biggest draws for our tourism industry.

**Bernard Finkel, 11500 E Cochise Dr, 85259**, said the 'Stewards' would always be there to help protect and maintain the preserve, and he hoped Council would move forward quickly.

**Erik Filsinger, 10212 E Charter Oak, 85260**, representing the Arizona Mountaineering Club, urged passing of a .25% sales tax increase and to include language that would speak to access issues.

**Edie Shannon, 30068 N 77<sup>th</sup> Pl, 85262**, representing 'Friends at the Scenic Drive', spoke in favor of getting this on the May ballot. She spoke of the quality tourists who were interested in ecology and history of an area. She felt the tourists would frequent local businesses and hotels.

**Lyle Wurtz, 6510 E Palm Ln, 85257**, wondered if the average Scottsdale citizen's quality of life was enhanced by the preserve or if they have hiked there. Thousands who never use the land would be paying for it and making those homes in the north even more valuable. He felt those living near the preserve should bear the cost.

**Howard Myers, 6631 E Horned Owl Tr, 85262**, said we must protect what makes Scottsdale unique and special: mountains, desert, and western culture.

**Annie Collins, 9169 E Davenport Dr, 85260**, a leader of free hikes in the preserve, has led over 200 hikes in the last ten years, with over 10,000 attendees, many from out of town. She hoped more access areas could be built.

**Lowell Lueptow, 30600 N Pima Rd, #129, 85262**, compared the preserve to Central Park in New York City, and discussed how popular Pinnacle Peak Park was. He hoped Council would go ahead with a .25% increase on the May ballot.

**Myrna Smith, 14248 N Ibsen Dr, #A, Fountain Hills, 85268**, loves the preserve and volunteers time to maintaining it. She also stated that she primarily shops in Scottsdale and would be happy to pay an increased sales tax.

**Susan Wheeler, 9616 E Kalil Dr**, felt the preserve had enhanced her quality of life and she did not live near it. She also felt it was vital to the city to continue to preserve; therefore, she was in favor of .25% tax for the preserve.

**Bill Berkley, 7955 E Chaparral, 85250**, thanked Council and staff for their exemplary efforts in creating the preserve. He agreed there were other needs in the city, although this one was of utmost importance. He strongly urged support for the .25% as it would be an investment in the future of Scottsdale.

**Jeffrey Zonis, 16676 N 108<sup>th</sup> St, 85255**, was supportive of .25% and .15%. He expressed concern that Toll Brothers had blocked access to a portion of the preserve.

**Bob Vairo, 10040 E Happy Valley Rd, #451, 85255**, representing COPP, spoke in favor, saying we needed to demonstrate our commitment to the State Land Department and everyone. He urged Council to move ahead tonight.

**Tony Nelssen, 7736 E Redbird, 85262**, said Scottsdale was about arts and tourism. He stated his belief that the arts and the preserve made Scottsdale unique. He felt everyone in Scottsdale benefited from the preserve just as we did from the Grand Canyon. He urged Council to go for the most they could and then let the voters decide.

**Larry Heath, 8608 E Cactus, 85260**, presented a document indicating the shopping areas in Scottsdale. He explained that 90% of the sales tax was raised in south Scottsdale. He expressed concern about the funding mechanism and felt other alternatives should be considered. He didn't think it was right to spend all the tax money on the preserve.

**Martha Ecton, 7805 E Shooting Star Way, 85262**, expressed concern that without the preserve, we could get thousands more homes, another Fashion Square, more car dealers, and more traffic on the property.

**Sonia Overholser, 20277 N 82<sup>nd</sup> Ln, Peoria, AZ, 85382**, representing International Mountain Bicycling Association, enjoys the preserve often and frequents many city businesses at the same time. She presented a national newsletter that gave Arizona an "A" rating in attracting mountain bikers from all over the world. She urged .25% as an investment in Scottsdale's future.

**Scott O'Connor, 3636 E Dendon Ln, Paradise Valley, 85253**, said he has been using the preserve for mountain biking since he was ten years old. He felt the city needed to pass the highest possible tax to buy the most acreage they could as fast as they could. He stated his belief that nothing else Council did would have as much impact or be remembered as much as the preserve.

**Bill Sumner, 85362**, noted that people who live near the preserve already pay heavily for their land.

**Nena Henry, 27421 N 152<sup>nd</sup> St, 85262**, representing Rio Verde Horsemen's Association, was 100% supportive of the acquisition of this land. She stated that the horse industry brings \$1.3 billion annually to this state.

**Carla, PO Box 954, 85282**, said there was overwhelming support for moving forward on this critical step. The alternative would be a whole new city being built in the north area of the city. If we waited, we would lose land the citizens have voted for. We need to keep a good partnership with the State Land Department and show good faith. She urged .25%.

**Public testimony concluded.** Additional speaker cards were received from citizens not wishing to speak: 20 in favor and 6 opposed.

Councilman Silverman said it was absolutely true that tourism is related to the preserve, and that we would have another city out there if we did not take care of this land. There would never be another opportunity. He felt it was important to keep our sales tax below the city of Phoenix.

#### **MOTION 1**

COUNCILMAN SILVERMAN MOVED TO ASK VOTING CITIZENS ON A MAY 18, 2004 BALLOT TO INCREASE SALES TAX .15% FOR DEDICATED FUNDS TO PURCHASE PRESERVE LANDS. VICE MAYOR ECTON SECONDED THE MOTION (WHICH CARRIED 7/0).

Vice Mayor Ecton said that the majority of sales tax was not generated by people living in south Scottsdale, but by people shopping in south Scottsdale. If we didn't move forward fast, the cost would go up on these properties. He felt the city is compelled to move forward.

Responding to Mayor Manross, Mr. Cafarella said completing acquisitions in progress would be the highest priority.

Councilman Littlefield said if that land were developed it would suck money out of south Scottsdale. He felt .15% would not be enough to buy the rest of the preserve and there would never be enough sales tax to finish it, so some day there would have to be a property tax increase. He would also like to see an additional .1% for public safety.

Councilman O'Hearn was not convinced .15% was enough and wondered if there was Council support for .20%. Further discussion showed there was not.

Councilman Ortega said sales tax would increase 20%, and felt their duty was for public safety first.

Following the discussion, THE MOTION FOR PLACING A .15% SALES TAX MEASURE FOR PRESERVE LAND ON THE MAY 18, 2004 BALLOT FOR PUBLIC CONSIDERATION CARRIED 7/0.

Ms. Dolan suggested a motion for GO Bond authority as well.

**MOTION 2**

VICE MAYOR ECTON MOVED TO AUTHORIZE A BALLOT MEASURE THAT SCOTTSDALE AUTHORIZE GENERAL OBLIGATION BONDS. COUNCILMAN LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 7/0.

**MOTION 3**

COUNCILMAN LITTLEFIELD MOVED TO PLACE A TAX MEASURE ON THE MAY 18, 2004 BALLOT FOR .1% SALES TAX DEDICATED TO PUBLIC SAFETY. COUNCILWOMAN PILCHER SECONDED THE MOTION (WHICH CARRIED 6/1 WITH COUNCILMAN O'HEARN DISSENTING).

Councilman O'Hearn expressed concerns about going to the public with a list of items and asking them to just trust us. He also felt some might find the two measures competitive and this might jeopardize the preserve. He would vote against this motion.

Mayor Manross said it was everyone's job who believed in these issues to go out and advocate for them.

Following the discussion, THE MOTION FOR .1% FOR PUBLIC SAFETY CARRIED 6/1 WITH COUNCILMAN O'HEARN DISSENTING.

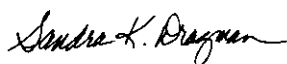
**Public Comment** - None

**City Manager's Report** - Ms. Dolan said staff would bring back specific ballot language on January 20<sup>th</sup>.

**Mayor and Council Items** - None

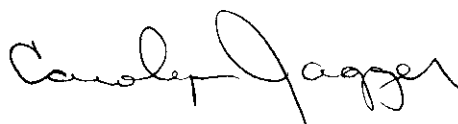
**Adjournment** - With no further business to discuss, Mayor Manross adjourned the meeting at 9:45 P.M.

**SUBMITTED BY:**



**Sandy Dragman**  
Recording Secretary

**REVIEWED BY:**




**Carolyn Jagger**  
City Clerk

### CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Special City Council Meeting of the City Council of Scottsdale, Arizona held on the 14th day of January 2004.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 22nd day of January 2004.

  
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**CAROLYN JAGGER**  
City Clerk